



SBA EXPORT EXPRESS LOAN PROGRAM



Patrick Hayes, Regional Manager
SBA Export Solutions Group
U.S. Export Assistance Center
600 Superior Avenue, Suite 700
Cleveland, OH 44114 - 216-522-4731
patrick.hayes@sba.gov

Export Express

- Loans and Lines of Credit up to \$500,000.
- Approved banks make their own credit decision, use their own forms and receive a 90% SBA guaranty up to \$350,000 and 75% on loans over \$350,000 to \$500,000.
 - If two Export Express loans are approved within 90 days of each other, and the combined gross loan amount of all the Export Express loans approved in that time frame to any one borrower (including affiliates) exceeds \$350,000, then the maximum guaranty percentage of each of these loans is 75% (subject to the \$375,000 limit).



Export Express

- Proceeds may be used for any of the following purposes:
 - transaction-specific financing of export deals, including standby letters of credit
 - general lines of credit for export purposes
 - export development activities such as brochure translation or participation in a trade mission
 - term loans for permanent working capital, machinery and equipment, or real estate



Export Express

Loan proceeds may not be used to:

- a) Finance overseas operations, except for the marketing and/or distribution of products/services exported from the US; or
- b) Refinance existing SBA-guaranteed loans.



Export Express Highlights

- Indirect Exports are eligible. The term “indirect export” applies to situations where, although the Borrower’s direct customer is located in the United States, that customer will be exporting the items/services it purchased from the Borrower to a foreign Buyer. In such cases, the Borrower must provide certification to the lender from the Borrower’s domestic customer (typically in the form of a letter, invoice, order or contract) that the goods or services are in fact being exported .



Export Express Eligibility

- Applicant must meet SBA standard eligibility, plus
 - A. Applicant in business for at least 12 months
 - Applicant can qualify if less than 12 months in business
 - The applicant's key personnel have clearly demonstrated export expertise and substantial previous successful business experience, and
 - The lender processes the Export Express loan using conventional commercial loan underwriting procedures and does not rely solely on credit scoring or credit matrices to approve the loan. Evidence of compliance with both of these requirements must be retained by the lender in its file.
 - B. Applicant can not have operations, facilities or offices overseas, other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S. (they may be eligible for other SBA 7(a) financial assistance).



Export Express Documentation

- In addition to standard commercial loan application submissions as determined by the bank, the applicant must provide documentation regarding the following items (this may be in the form of a general business plan, an attachment to the loan application or on a lender-developed questionnaire):
 1. A brief description of the business' product or service which will be exported;
 2. An explanation of how the loan proceeds will enable the business to enter a new export market or expand in an existing export market;
 3. The countries to which the business will export; and
 4. An estimate of the borrower's export sales for the 12 month period following the date of the loan application.



Export Express Credit Standards

- SBA has authorized Export Express lenders to make the credit decision without prior SBA review. The credit analysis must demonstrate that there is a reasonable assurance of repayment. The lender is required to use appropriate, prudent and generally accepted industry credit analysis processes and procedures (which may include credit scoring), and these procedures must generally be consistent with those used for its similarly sized non-SBA guaranteed commercial loans.



Export Express Collateral Requirements

- \$25,000 or less, no collateral required.
- Over \$25,000, lenders use same collateral policies used for their non-SBA guaranteed loans.
 - One exception - if an Export Express line of credit over \$25,000 is used to support the issuance of standby letters of credit, the line of credit must have collateral (cash, cash equivalent or project) that will provide coverage for at least 25% of the issued standby letter(s) of credit amounts.



Maximum Maturities

- Line of Credit – 7 years
- Permanent Working Capital – 10 years
- Equipment – Useful Life
- Real Estate – 25 years



Maximum Interest Rates

<u>Gross Loan Amount</u>	<u>Allowable Rate</u>
\$50,000 or less	Prime + 6.5%
Over \$50,000	Prime + 4.5%



SBA Export Express Fees

Gross loan Amount	12 months or less	More than 12 months*
\$150,000 or less	0.25% of guaranteed portion	2% of guaranteed portion*
\$150,001 - \$500,000	0.25% of guaranteed portion	3% of guaranteed portion

* This fee is waived on loans approved before September 30, 2014

- Export Express loan recipients also receive a 25% discount on their Ex-Im Bank Small Business/Express Credit Insurance premiums.



Export Express How to Apply

- Apply at any bank with SBA Express Authority.
- Export Express Loans are processed in the same way that SBA Express Loans are processed.



SBA Export Loan Products

- Export Express
 - Up to \$500,000. Term loans and/or lines of credit for export purposes – streamlined processing procedures.
- Export Working Capital Program (EWCP)
 - Up to \$5 Million; 90% guaranty for short term loans and lines of credit for export purposes.
- International Trade Loan
 - Up to \$5 Million: now with a 90% guaranty. Term loans for facilities, equipment, and working capital that will enhance export ability. Refinancing of existing debt is also available.





Thank You!



Patrick Hayes, Regional Manager
SBA Export Solutions Group
U.S. Export Assistance Center
600 Superior Avenue, Suite 700
Cleveland, OH 44114 - 216-522-4731
patrick.hayes@sba.gov